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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MIKE GLEASON - Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

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AZ CORP COMMISSION
DOCUMENT CONTROL

Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF
TUCSON ELECTRIC POWER COMPANY FOR
APPROVAL OF A CUSTOMER AGREEMENT
WITH ASARCO, LLC AND SILVER BELL
MINING, LLC.

DOCKET NO. E-01933A-06-0801

PROCEDURAL ORDER

BY THE COMMISSION:

On December 28, 2006, Tucson Electric Power Company ("TEP" or "Company") submitted for Arizona Corporation Commission ("Commission") approval, a proposed Electric Power Supply Agreement ("Power Agreement") between TEP, ASARCO, LLC ("Asarco"), and Silver Bell Mining LLC, ("Silver Bell"). TEP alleged that the terms of the Power Agreement are confidential and provided the Power Agreement to Commission Utilities Division Staff ("Staff") pursuant to a Protective Agreement.

On March 15, 2007, Staff filed a Motion for Procedural Order, believing that a certain portion of the Power Agreement is best considered in the context of a hearing. Staff has concerns about the provision of the contract that would limit Asarco and Silver Bell's participation in Docket No. E-01933A-05-0650.

By Procedural Order dated April 13, 2007, the matter was set for hearing and notice sent to the parties to Docket no. E-01933A-05-0650.

On April 12, 2007, TEP filed with Docket Control a redacted, or public, version of the Power Agreement.

On April 21, 2007, Arizonans for Electric Choice and Competition ("AECC") filed a Request for Intervention. On April 23, 2007, Asarco and Silver Bell, and the Department of Defense ("DOD") filed Requests to Intervene. On April 27, 2007, Phelps Dodge filed a Request for

1 Intervention.

2 On May 3, 2007, TEP filed a limited objection to the Intervention of AECC, Phelps Dodge
3 and DOD. TEP states that it does not object to the intervention of AECC, Phelps Dodge or DOD
4 provided they are not permitted access to the confidential and proprietary rate and pricing
5 information in the Power Agreement.

6 The intervenors are all large customers of TEP, and have alleged an interest in how TEP's
7 rates will be set after December 31, 2008. TEP's limited objection appears reasonable. The
8 requesting intervenors should be able to participate in the proceeding without access to the specific
9 pricing information of the Power Agreement. Consequently, we will allow the interventions subject
10 to condition that AECC, Phelps Dodge and DOD shall not be entitled to confidential pricing and rate
11 information in the Power Agreement.¹ Asarco and Silver Bell are parties to the Power Agreement
12 with a direct interest in its approval.

13 IT IS THEREFORE ORDERED that the intervention of Asarco and Silver Bell is hereby
14 granted.

15 IT IS FURTHER ORDERED that the interventions of AECC, Phelps Dodge and DOD are
16 granted subject to the condition that these parties shall not be entitled access to confidential pricing
17 and rate information in the Power Agreement.

18 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
19 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

20 DATED this 9th day of May, 2007.

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JANE L. RODDA

24 ADMINISTRATIVE LAW JUDGE
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27 ¹ AECC, Phelps Dodge and DOD have not had an opportunity to respond to TEP's limited objection to their
28 interventions. They may present arguments at the hearing if they believe that TEP's proposed condition is unreasonably
prejudicial.

Copies of the foregoing mailed
this 9th day of May, 2007 to:

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